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20 November 1969

MEMORANDUM FOR THE RECORD

Morning Meeting of 20 November 1969

DD/I reported that his most recent reading on NSC scheduling is that it will meet on 25 November at 11 a.m. to consider three items, namely, contingency planning--Libya, contingency planning--Lebanon, and the status of Soviet-U. S. talks. He commented that [] is now at work preparing two briefs, one on Israel and the nearby area and the other on Libya.

Godfrey reported that the situation in Lagos appears to be less serious but went on to note that we still do not know what is going on.

D/ONE briefed on the possibility of two footnotes in connection with today's USIB agenda.

DD/S reported that they have completed work on the Agency film, which lasts thirty-seven minutes, and suggested that all Executive Committee members view it. The Director suggested that those present view the film at 0900 tomorrow in lieu of a Morning Meeting and asked the DD/S to advise each of the room number.

Maury tabled Release of Sensitive Information to Congress, as contained in the USIB agenda for today. After some discussion the Director noted his readiness to discuss this matter at the USIB meeting. (For background see Morning Meeting Minutes of 9 October 1969.)

Houston called attention to the Itkin item in today's New York Times, "Payoff of \$12,500 Laid to De Sapio." He commented that Carmine De Sapio has a good lawyer.

Bross reported that he met with John Hurley yesterday and went on to detail Hurley's interest in obtaining copies of some studies, including the ABM study and another one pertaining to SIGINT/ELINT. DDCI commented that, in his judgment, NIRB and the Director have an appropriate role to play in the release of such studies pertaining

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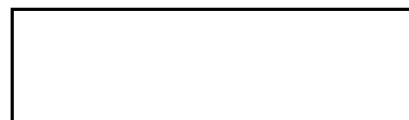
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to components of the intelligence community, particularly when they are still in the coordination process. The Director agreed with Bross's suggestion that the latter meet with Robert Froehlke on this matter and then report back to him. Executive Director noted that, in dealing with this problem, it might be well to recognize that much of the information contained in such studies is already available in other forms to the Bureau of the Budget.



Executive Director called attention to the visit of Generals Bennett and Philpott and Admiral Showers on 24 November. He commented that he will spend one and one-half hours with them and will cover the organization, mission, and functions of the Agency. He suggested that others who will brief in the afternoon devote their time to what they do and how they do it.

DDCI briefed on the most recent meeting of the Vietnam Special Studies Group and noted that most of their time was spent discussing various indicators of pacification. He noted that the Group is scheduled to meet again on 1 December.



L. K. White

*Extracted and sent to action officer

PAYOFF OF \$12,500 LAID TO DE SAPIO

Itkin Says He Was Told Part
of It Came From Fried

By EDITH EVANS ASBURY

A Federal jury and judge heard testimony yesterday that Carmine G. De Sapio, former Tammany chief, made three cash payments totaling \$12,500 in 1967 to Herbert Itkin, to be shared with James L. Marcus, then Commissioner of Water Supply, Gas and Electricity in the Lindsay administration.

The testimony was given by Itkin, a labor lawyer and self-described Federal informant, in the trial of Mr. De Sapio and Anthony (Tony Ducks) Corallo on charges of conspiring to bribe Marcus and extort contracts from Consolidated Edison.

Henry Fried, a Mount Kisco contractor who was described as the source of part of the money by Mr. De Sapio, according to Itkin's testimony, was also named in the indictment but obtained delay of his trial because of illness. Marcus and Itkin were named as co-conspirators but not defendants, and both have been called as witnesses on behalf of the Government.

The first payment, \$5,000, was given to him at Mr. De Sapio's apartment, at 11 Fifth Avenue, on Nov. 24, 1967, Itkin testified. He said the second payment, \$2,500, and the third, \$5,000, were handed to him by Mr. De Sapio in the latter's office at 151 East 55th Street.

The money was paid in return for the signing and dis-

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PAYOFF OF \$12,500 LAID TO DE SAPIO

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patching by Marcus of a letter to the Consolidated Edison Company granting approval of construction of a transmission line to Westchester, according to Itkin.

Pressure on Utility Alleged

Marcus had deliberately delayed sending the letter, according to Itkin, as part of a plot to force Consolidated Edison to recognize that it would have to deal with Mr. De Sapio in matters relating to Marcus and his department.

The eventual aim of the plot, according to testimony by Itkin, and by Marcus earlier in the trial, was to force Consolidated Edison to grant construction contracts worth millions of dollars to contractors who would kick back some of the profits.

Mr. De Sapio made the payments reluctantly, Itkin testified, protesting that the letter was too weak, and "far from what Marcus promised."

"Henry Fried is coming through, but we expect whatever Con Ed wants in the letter," Mr. De Sapio said at the second pay-off meeting, according to Itkin.

"I'd like the rest of the money, really," Itkin said he replied to Mr. De Sapio on receiving only \$2,500.

"Let's just see and make sure everything goes right, I have to get it all back from Henry Fried before I pay any more out," Mr. De Sapio said, according to Itkin.

Says Fried Objected

At the third pay-off meeting, early on the evening of Dec. 4, 1967, Mr. De Sapio reported that "This was a terrible letter and Henry decided that we are only going to get \$20,000 for it, Itkin testified.

"I said, 'All right, then we ought to take \$5,000 each and still give Marcus his ten'," Itkin went on.

"And he said, 'No, I think I have done an awful lot of work....and I think I am entitled to keep the \$7,500 I have gotten from Henry Fried,'" Itkin testified.

Itkin said Mr. DeSapio "had two packages of \$2,000 each with wrappers around it laying on the table" which "I picked up" and "put them in my pocket."

"I said, 'All right, Carmine, give me a thousand more. We will do it your way.'

"He counted out \$1,000 and gave it to me."

Assistant United States Attorney Paul K. Rooney asked, "Did you then leave?" Itkin replied, "I left very rapidly, yes."

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testimony for the Government during the afternoon, and was then cross-examined by Maurice Edelbaum, attorney for Mr. DeSapio.

During this questioning, he said that he began working as an undercover agent or informant for the Federal Bureau of Investigation in 1963 but admitted he had made few written reports, and none on Consolidated Edison.

Itkin admitted that he had failed to file an income tax report for 1963, a year in which he said he had a gross income of about \$120,000, of which \$30,000 or \$40,000 was illegal.

Mr. Edelbaum asked Itkin whether he had given his first wife \$100,000 at the time of their divorce in 1963.

"She got \$100,000," Itkin replied, emphasizing the word "got."

He said he had \$50,000 in his vault—"illegal money I was holding to pay off people" that his first wife "unfortunately" took.

"Did you do anything to get it back?" asked Mr. Edelbaum.

"Of course not," Itkin replied.

In answer to questions by Mr. Edelbaum, Itkin conceded that he had never turned over to the Government as evidence any of the money he received illegally, but he said he "showed them" some.

The trial will resume today.

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